

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	
)	
JOSEPH MARIO MORENO,)	
also known as "Mario Moreno,")	12 CR 459
AMBROSIO MEDRANO,)	
STANLEY WOZNIAK,)	
GERALD W. LOMBARDI,)	
also known as "Jerry Lombardi, Sr.,")	
JERRY A. LOMBARDI, JR.,)	Violations: Title 18, United States
also known as "Jerry Lombardi, Jr.," and)	Code, Sections 371, 666, 1343,
RONALD GARCIA)	1346, 1951 and 2

COUNT ONE

The SPECIAL FEBRUARY 2011-2 GRAND JURY charges:

1. At times material to this indictment:

Relevant Individuals and Entities

Cook County and Elected Commissioners

A. Cook County ("the County") was a local government located in the Northern District of Illinois. The County's legislative branch of government was the Board of Commissioners, which was comprised of approximately seventeen Commissioners, each of whom represented one County district. Commissioners were compensated and publically elected.

B. The Board of Commissioners (the "County Board") had the authority to set policy and pass ordinances and resolutions related to the responsibilities of County

government, including approving certain County purchases and contracts. The County Board established various committees upon which Commissioners served and which voted on resolutions, adopted policies, and reviewed projects, contracts, and other aspects of County government.

Joseph Mario Moreno

C. Defendant JOSEPH MARIO MORENO served as an elected Commissioner for the 7th District of Cook County until approximately December 2010. While a Commissioner, MORENO served as a member of several committees, including Contract Compliance; Finance; Health and Hospitals; Legislation, Intergovernmental and Veterans Relations; and Roads and Bridges. MORENO owed a duty of honest services to the County and the people of the County in the performance of his public duties.

Ambrosio Medrano

D. Defendant AMBROSIO MEDRANO was employed by Cook County as one of MORENO's staff members. MEDRANO, in his capacity as an employee of the County, owed a duty of honest services to the County and the people of the County in the performance of his public duties.

**Gerald W. Lombardi, Jerry A. Lombardi, Jr.,
Stanley Wozniak, and Chasing Lions, LLC**

E. Defendants GERALD W. LOMBARDI, SR. and JERRY A. LOMBARDI, JR. had financial interests in Chasing Lions, LLC ("Chasing Lions"), which held itself out to be a disabled veteran's business that sold medical bandages under the brand

name “Dermafill.” Defendant STANLEY WOZNIAK had a financial agreement with Chasing Lions to distribute Dermafill.

Filings Regarding Public Officials’ Economic and Financial Interests

F. Pursuant to ethics laws of the State of Illinois, defendant MORENO was obligated to file annually with the Clerk of Cook County a Statement of Economic Interest, wherein he was required to disclose, among other things:

i. The name of any professional organization in which MORENO was an officer, director, associate, partner or proprietor or served in any advisory capacity, from which he derived in excess of \$1,200 in the preceding year.

ii. Professional services MORENO rendered and the identity of the entity for which he rendered those services if MORENO received more than \$5,000 for rendering those services in the preceding year.

iii. The name of any entity doing business with Cook County from which MORENO derived in excess of \$1,200 in the preceding year other than for professional services.

iv. The name of any entity from which MORENO received more than \$500 in gifts in the preceding year.

G. Pursuant to ethics ordinances, rules, regulations, and guides of the County, which applied to MORENO and MEDRANO:

i. MORENO and MEDRANO were required to disclose any matter in which they or their respective spouses had an economic interest distinguishable from that

of the general public and over which MORENO and MEDRANO made or participated in making County governmental decisions.

ii. MORENO and MEDRANO were obligated to file a disclosure with the County's Board of Ethics within 10 days of receipt of any gifts, gratuities, loans, forbearances, and other items having monetary value relating to or attributable to their government employment or official position.

The Scheme to Defraud

2. Beginning no later than in or about December 2009, and continuing at least until in or about December 2010, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere:

JOSEPH MARIO MORENO,
also known as "Mario Moreno,"
AMBROSIO MEDRANO,
STANLEY WOZNIAK, and
GERALD W. LOMBARDI,
also known as "Jerry Lombardi, Sr.,"

defendants herein, together with others known and unknown to the grand jury, knowingly devised, intended to devise, and participated in a scheme to defraud and to obtain money and property from Cook County by means of materially false and fraudulent pretenses, representations, and promises, and by material omissions, and to defraud and deprive Cook County and the citizens of Cook County of their right to the honest services of MORENO and MEDRANO through bribery and kickbacks.

3. It was part of the scheme that defendants MORENO and MEDRANO solicited and agreed to accept bribes in the form of benefits and payments from defendants GERALD W. LOMBARDI and WOZNIAK, in exchange for favorable official action. Defendants MORENO and MEDRANO concealed their bribery from Cook County by making materially false representations in MORENO's Statements of Economic interest and otherwise failing to disclose the material fact that they had agreed to accept payments from GERALD W. LOMBARDI and WOZNIAK. GERALD W. LOMBARDI and WOZNIAK, in turn, attempted to obtain money and property from Cook County through the false representations and material omissions of MORENO and MEDRANO.

**Offers of Payments from Gerald W. Lombardi,
Wozniak and Chasing Lions to Moreno and Medrano in
Exchange for Favorable Action from Moreno and Medrano**

4. It was further part of the scheme that MORENO and MEDRANO solicited and agreed to accept payments and other things of value from GERALD W. LOMBARDI, WOZNIAK, and Chasing Lions, including a promise to pay:

- A. \$5 to MORENO for each Dermafill patch ordered by the County, and
- B. \$2 to MEDRANO for each Dermafill patch ordered by the County.

5. It was further part of the scheme that MORENO and MEDRANO accepted things of value with the understanding that MORENO and MEDRANO would perform acts in their official capacity in return, and that MORENO and MEDRANO did take official action favorable to GERALD W. LOMBARDI, WOZNIAK, and Chasing Lions by, among other things:

A. MORENO sponsoring and voting in favor of a Cook County ordinance providing a procurement and contract preference to businesses owned by service-disabled veterans, which Chasing Lions held itself out to be;

B. Setting up meetings between Chasing Lions officials and Cook County officials; and

C. Attempting to persuade Cook County officials to order Dermafill bandages from Chasing Lions.

6. It was further part of the scheme that on or about June 21, 2010, a Chasing Lions representative sent MORENO and MEDRANO an email attaching an executive order that WOZNIAK and GERALD W. LOMBARDI wanted MORENO to use in drafting a County ordinance providing a contract-procurement preference to businesses owned by service-disabled veterans.

7. It was further part of the scheme that on or about September 15, 2010, MORENO sponsored County Ordinance 10-O-60, which created a service-disabled veterans business preference program with regard to Cook County contracts and procurement.

8. It was further part of the scheme that in or about September 2010, WOZNIAK and MEDRANO discussed providing MORENO with greater financial benefits if MORENO used his position with the County to expedite an order by Cook County to buy Dermafill bandages.

9. It was further part of the scheme that on or about September 28, 2010, MEDRANO informed MORENO that WOZNIAK and GERALD W. LOMBARDI wanted

to meet to “dangle a bigger piece of the pie in front of” MORENO, “make another offer to” MORENO, and “increas[e] what’s on the plate.”

10. It was further part of the scheme that on or about September 30, 2010, MORENO and MEDRANO met with WOZNIAK and GERALD W. LOMBARDI to discuss providing MORENO with greater payments in exchange for MORENO using his position with the County to cause the County to order Dermafill bandages in an expedited manner.

11. It was further part of the scheme that during the meeting on or about September 30, 2010, MORENO and GERALD W. LOMBARDI, among others, signed an agreement that gave MORENO the option of purchasing Chasing Lions stock.

12. It was further part of the scheme that defendant MORENO agreed to contact and meet with Cook County Executive B and Cook County Purchaser to try to convince Cook County to place a large order of Dermafill bandages in an expedited manner.

13. It was further part of the scheme that on or about October 19, 2010, defendant WOZNIAK informed MEDRANO that if the County ordered 1,000 boxes of Dermafill bandages, then MORENO would receive \$70,000, and MEDRANO would receive \$24,000.

14. It was further part of the scheme that on or about October 19, 2010, defendant WOZNIAK informed MEDRANO that if the County ordered 2,500 boxes of Dermafill bandages, then WOZNIAK would provide MEDRANO with a \$10,000 or \$20,000 check for Candidate A, who MEDRANO was supporting in an aldermanic election.

15. It was further part of the scheme that on or about October 19, 2010, defendant WOZNIAK informed defendant MEDRANO that defendant GERALD W. LOMBARDI

would provide defendant MEDRANO with a partial ownership of Chasing Lions if the County ordered 2,500 boxes of Dermafill bandages.

16. It was further part of the scheme that on approximately October 21, 2010, when defendants MORENO, MEDRANO, GERALD W. LOMBARDI, SR., and WOZNIAK learned that, instead of placing a large order, the County was seeking free Dermafill bandages so it could test the bandages, MORENO called Cook County Executive B to try to convince the County to conduct a small trial using fewer Dermafill bandages than the County had originally contemplated and to guarantee a large order after the trial was complete.

17. It was further part of the scheme that on approximately November 8, 2010, WOZNIAK asked MEDRANO to have MORENO call Cook County Executive B and ask Cook County Executive B to “push” the doctor who was going to help determine how many bandages were needed for the County’s test of Dermafill bandages.

18. It was further part of the scheme that on or about November 22, 2010 and November 23, 2010, MORENO spoke with Cook County Executive C, a high-ranking official with Cook County’s John H. Stroger Hospital, about the County placing a large order of Dermafill bandages.

Other Concealment and Misrepresentations

19. It was further part of the scheme that defendant MORENO and MEDRANO concealed their economic interests in a County matter, namely, the Dermafill procurement, by failing to disclose them as required.

20. It was further part of the scheme that defendant MORENO knowingly caused to be filed false and misleading Statements of Economic Interest with the Cook County Clerk, which statements failed to disclose MORENO's economic interest in the Dermafill procurement.

21. It was further part of the scheme that defendants MORENO, MEDRANO, WOZNIAK, and GERALD W. LOMBARDI concealed, misrepresented, and hid and caused to be concealed, misrepresented, and hidden, the existence and purpose of the scheme and the acts done in furtherance of the scheme.

22. On or about June 21, 2010, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOSEPH MARIO MORENO,
also known as "Mario Moreno,"
AMBROSIO MEDRANO,
STANLEY WOZNIAK, and
GERALD W. LOMBARDI,
also known as "Jerry Lombardi, Sr.,"

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce certain signs, signals and sounds, namely, an email from WOZNIAK to MORENO that included an email from LOMBARDI, JR., attaching a federal executive order that defendants wanted MORENO to use in drafting a County ordinance providing a contract-procurement preference to businesses owned by service-disabled veterans;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT TWO

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 21 of Count One are incorporated here.
2. On or about August 17, 2010, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOSEPH MARIO MORENO,
also known as “Mario Moreno,”
AMBROSIO MEDRANO,
STANLEY WOZNIAK, and
GERALD W. LOMBARDI,
also known as “Jerry Lombardi, Sr.,”

defendants herein, for the purpose of executing the above-described scheme, knowingly caused to be transmitted by means of a wire communication in interstate commerce certain signs, signals and sounds, namely, an email from MORENO to MEDRANO that referred to Dermafill and included a forwarded email that contained language from an amendment to a Cook County contract compliance ordinance providing contract-procurement preference to businesses owned by service-disabled veterans;

In violation of Title 18, United States Code, Sections 1343 and 1346.

COUNT THREE

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations in paragraphs 1.A. through 1.E. of Count One are incorporated here.

2. At times material to this count, Cook County was a local government that received in excess of \$10,000 in federal funding in the twelve-month period from December 4, 2009 to December 3, 2010.

3. From no later than on or about December 4, 2009, until on or about December 3, 2010, at Chicago, in the Northern District of Illinois, Eastern Division,

JOSEPH MARIO MORENO,
also known as "Mario Moreno," and
AMBROSIO MEDRANO,

defendants herein, being agents of Cook County, corruptly solicited, demanded, and agreed to accept things of value from Gerald Lombardi, Sr. and Stanley Wozniak, namely, money, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of Cook County involving a thing of value of \$5,000 or more, that is, the purchase of medical bandages;

In violation of Title 18, United States Code, Section 666(a)(1)(B).

COUNT FOUR

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations in paragraphs 1.A. through 1.E. of Count One and paragraph 2 of Count Three are incorporated here.

2. From no later than on or about December 4, 2009, until on or about December 3, 2010, at Chicago, in the Northern District of Illinois, Eastern Division,

GERALD LOMBARDI, SR.,
also known as "Jerry Lombardi, Sr.," and
STANLEY WOZNIAK,

defendants herein, corruptly offered and agreed to give things of value, namely, money, intending to influence and reward Joseph Mario Moreno and Ambrosio Medrano, agents of Cook County, in connection with a business, transaction and series of transactions of the County involving a thing of value of \$5,000 or more, that is, the purchase of medical bandages;

In violation of Title 18, United States Code, Section 666(a)(2).

COUNT FIVE

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations in paragraphs 1.A. through 1.C. of Count One are incorporated here.

2. At times material to this Count of the indictment:

A. Cook County established programs designed to increase the use of certain businesses as subcontractors, including those known as minority business enterprises (“MBEs”) and women-owned business enterprises (“WBEs”). These programs encouraged certain contractors with the County to subcontract or otherwise engage MBEs/WBEs as part of the work they performed for the County.

B. Defendant RONALD GARCIA owned and operated Chicago Medical Equipment & Supply, Co. (“Chicago Medical”). Chicago Medical was certified as an MBE for purposes of doing business with the County.

C. In or about 2007, MORENO and his spouse purchased a property in Chicago. The property was MORENO’s residence.

D. On or about July 24, 2007, GARCIA and MORENO entered into a mortgage agreement in which GARCIA agreed to provide MORENO and MORENO’s spouse with a \$100,000 loan, which was to be repaid in full, including principal and interest, by MORENO and his spouse by August 1, 2008. The mortgage was secured by MORENO’s residence.

E. In or around November 2007, the County issued a request for proposals for companies to bid on revenue cycle services, including finding ways to reduce costs and increase revenue, for the County's Bureau of Health. Company A submitted a proposal that stated that Company A would use Chicago Medical as a subcontractor to comply with the County's MBE participation requirements. Company B, which provides healthcare revenue cycle management services, submitted a proposal that stated that Company B would use certain MBE/WBEs as subcontractors to comply with the County's MBE/WBE participation requirements. Company B's submission to the County did not propose using Chicago Medical as one of Company B's MBE subcontractors.

3. Beginning no later than March 2008 and continuing through in or about July 2009, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOSEPH MARIO MORENO,
also known as "Mario Moreno," and
RONALD GARCIA,

defendants herein, together with others, conspired to commit extortion, which obstructed, delayed, and affected commerce, in that defendants MORENO and GARCIA, together with Chicago Medical, agreed to obtain property from Company B, in the form of subcontracting work from Company B's revenue cycle contract with the County and payments for that work, with Company B's consent induced by the wrongful use of actual and threatened fear of economic harm, and under color of official right.

Overview of the Extortion Conspiracy

4. As part of the conspiracy, GARCIA and MORENO agreed that they would use MORENO's influence and position as a County Commissioner to take actions adverse to Company B's attempts to obtain and maintain a contract with the County, unless Company B used Chicago Medical as a subcontractor for that contract. In and around the time that MORENO was taking official actions to pressure Company B to subcontract with GARCIA's company, GARCIA released a \$100,000 mortgage loan owed by MORENO to GARCIA, even though MORENO had not fully repaid the loan. As a result of MORENO's and GARCIA's actions, Company B paid Chicago Medical approximately \$460,000.

Extortion of Company B to use Chicago Medical

5. It was further part of the conspiracy that in approximately March 2008, MORENO, in his official capacity as Commissioner, supported Company A's bid for the revenue cycle contract so that Chicago Medical could earn money as the MBE subcontractor for Company A. MORENO opposed Company B's bid for the contract.

6. It was further part of the conspiracy that in approximately May 2008, after the County decided not to award the revenue cycle contract to Company A, MORENO informed Cook County Executive A that MORENO wanted Company B, which was then bidding for the revenue cycle contract with Cook County, to contact GARCIA and Chicago Medical as a potential MBE subcontractor.

7. It was further part of the conspiracy that on or about May 19, 2008, during a dinner meeting, GARCIA asked Company B representatives to sign a letter of intent for

Company B to use Chicago Medical as an MBE subcontractor for its bid with the County. When Company B representatives did not sign the letter of intent, GARCIA placed a representative of Company B on the telephone with MORENO, who encouraged the Company B representative to hire Chicago Medical as an MBE subcontractor. MORENO informed the Company B representative that MORENO could not support someone who was unwilling to use Chicago Medical.

8. It was further part of the conspiracy that on or about May 20, 2008, before a County Board hearing to determine whether to award the revenue cycle contract to Company B, MORENO informed Company B that he had concerns about Company B's MBE choice. MORENO encouraged Company B to use Chicago Medical as a subcontractor. MORENO then asked Company B how much business Company B would be giving to Chicago Medical if Company B were awarded the revenue cycle contract.

9. It was further part of the conspiracy that on or about May 20, 2008, after a Company B representative told MORENO that Company B would consider using Chicago Medical, MORENO took official action favorable to Company B by: (a) speaking out in favor of awarding a County contract to Company B during a County Board hearing, and (b) voting in favor of awarding the County contract to Company B. As a result of the County Board vote, the County Board awarded the revenue cycle contract to Company B.

10. It was further part of the conspiracy that when Company B had not entered into a written contract with Chicago Medical by September 2008, MORENO took official action unfavorable to Company B. Specifically:

A. On or about September 3, 2008, at a County Board hearing, MORENO expressed concerns about Company B's MBE participation on its contract.

B. On or about September 4, 2008, MORENO sent a letter on his official letterhead to Cook County Executive A, with GARCIA's knowledge, asking for a detailed accounting of Company B's MBE/WBE participation. MORENO also called for the termination of Cook County's contract with Company B and for Company B to be banned from County business if Company B was found not to be in compliance with the County's MBE/WBE requirements.

11. It was further part of the conspiracy that after MORENO expressed concerns in around September 2008 about Company B's MBE/WBE participation compliance, GARCIA used his relationship with MORENO as leverage during his negotiations with Company B concerning Chicago Medical's subcontracting work on Company B's County contract.

12. It was further part of the conspiracy that on or about September 22, 2008, GARCIA released the \$100,000 mortgage on MORENO's home, despite the fact that MORENO had not fully repaid the loan.

13. It was further part of the conspiracy that on or about December 9, 2008, after Company B and Garcia failed to negotiate a contract for Chicago Medical to be a subcontractor, MORENO informed another Company B representative that if Company B was not in compliance with MBE requirements, it would not be paid by Cook County. MORENO informed this Company B representative, however, that if Company B were to

rehire Chicago Medical, then Company B's problems would disappear. MORENO further told this Company B representative to tell others at Company B that MORENO wanted Company B to re-hire Chicago Medical.

Concealment

14. It was further part of the conspiracy that MORENO, GARCIA, and their co-conspirators did misrepresent, conceal and hide, and caused to be misrepresented, concealed, and hidden, the acts done in furtherance of the conspiracy and the purpose of those acts.

15. It was further part of the conspiracy that on or about May 20, 2008, in voting to award the County contract to Company B, MORENO failed to disclose the existence of the July 2007 mortgage loan to the County Board.

16. It was further part of the conspiracy that on or about July 14, 2009, MORENO made a \$40,000 payment to GARCIA in an effort to conceal the conspiracy.

In violation of Title 18, United States Code, Section 1951(a).

COUNT SIX

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations in paragraphs 1.A. through 1.C. of Count One and paragraph 2 of Count Five are incorporated here.

2. Beginning in or about May 2008 and continuing through in or about July 2009, in the Northern District of Illinois, Eastern Division, and elsewhere,

JOSEPH MARIO MORENO,
also known as “Mario Moreno,” and
RONALD GARCIA,

defendants herein, did commit extortion, which obstructed, delayed, and affected commerce, in that defendants MORENO and GARCIA, together with Chicago Medical, obtained property from Company B, in the form of subcontracting work from Company B’s revenue cycle contract with the County and payments for that work, with Company B’s consent induced by the wrongful use of actual and threatened fear of economic harm, and under color of official right.

In violation of Title 18, United States Code, Section 1951(a), and 2.

COUNT SEVEN

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations in paragraphs 1.A. through 1.C. of Count One and paragraph 2 of Count Five are incorporated here.

2. At times material to this count, Cook County was a local government that received in excess of \$10,000 in federal funding in a twelve-month period from September 23, 2007, to September 22, 2008.

3. On approximately September 22, 2008, at Chicago, in the Northern District of Illinois, Eastern Division,

JOSEPH MARIO MORENO,
also known as "Mario Moreno,"

defendant herein, being an agent of Cook County, corruptly solicited, demanded, accepted and agreed to accept things of value from Ronald Garcia and Chicago Medical, namely, the release of a \$100,000 mortgage loan, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of Cook County involving a thing of value of \$5,000 or more, that is, the awarding of Cook County contracts to companies using and agreeing to use Chicago Medical as an MBE subcontractor;

In violation of Title 18, United States Code, Section 666(a)(1)(B).

COUNT EIGHT

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations in paragraphs 1.A. through 1.C. of Count One, paragraph 2 of Count Five, and paragraph 2 of Count Seven are incorporated here.

2. On approximately September 22, 2008, at Chicago, in the Northern District of Illinois, Eastern Division,

RONALD GARCIA,

defendant herein, corruptly gave, offered, and agreed to give things of value, namely, the release of a mortgage loan of approximately \$100,000, intending to influence and reward Moreno, an agent of Cook County, in connection with a business, transaction and series of transactions of the County involving a thing of value of \$5,000 or more, that is, the awarding of Cook County contracts to companies using and agreeing to use Chicago Medical as an MBE subcontractor;

In violation of Title 18, United States Code, Section 666(a)(2).

COUNT NINE

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. The allegations in paragraphs 1.D and 1.E of Count One are incorporated here.
2. At times material to this count, Los Angeles County was a local government that received in excess of \$10,000 in federal funding in the twelve-month periods from June 1, 2010 to May 31, 2011 and June 1, 2011 to May 31, 2012.
3. At times material to this Count:
 - A. CW1 was an individual who, unbeknownst to the defendants, was cooperating with law enforcement.
 - B. UC1 was an undercover agent posing as a procurement agent for private and public hospitals in Los Angeles. UC1 informed defendants that UC1 had a connection to an official, UC2, who worked for the Los Angeles County hospital system.
4. From approximately February 16, 2011, to at least in or about May 2012, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

AMBROSIO MEDRANO,
GERALD W. LOMBARDI, and
JERRY A. LOMBARDI, JR.,

defendants herein, and others known and unknown to the Grand Jury, knowingly conspired and agreed with each other to commit offenses against the United States, namely, to corruptly give, offer, and agree to give things of value, namely, money, including the payment of \$1,870 in United States Currency and the promise of additional payments, intending to influence and reward agents of Los Angeles County in connection with a business,

transaction and series of transactions of Los Angeles County involving a thing of value of \$5,000 or more, that is, the purchase of medical bandages, in violation of Title 18, United States Code, Section 666(a)(2).

Manner and Means of the Bribery Conspiracy

5. It was part of the conspiracy that on or about February 16, 2011, GERALD W. LOMBARDI, JERRY A. LOMBARDI, and MEDRANO met UC1 and agreed to give UC1 and UC2 money totaling twenty percent of the amount of Dermafill bandages that Los Angeles County ordered from Chasing Lions, LLC.

6. It was further part of the conspiracy that JERRY A. LOMBARDI agreed to send an invoice to UC1 for the sale of approximately \$10,000 worth of bandages to Los Angeles County.

7. It was further part of the conspiracy that GERALD W. LOMBARDI and JERRY A. LOMBARDI agreed to ship the bandages to UC1 after the invoice was paid.

8. It was further part of the conspiracy that GERALD W. LOMBARDI, JERRY A. LOMBARDI, and MEDRANO agreed to provide the payments in the form of cash to CW1 to pass on to UC1 and UC2.

9. It was further part of the conspiracy that GERALD W. LOMBARDI, JERRY A. LOMBARDI, and MEDRANO agreed to provide money for an initial \$10,000 order and a subsequent \$100,000 order.

10. It was further part of the conspiracy that GERALD W. LOMBARDI directed UC1 to speak with JERRY A. LOMBARDI on a phone “that is clear, no trouble or ears . . . a safe number.”

11. It was further part of the conspiracy that on or about February 17, 2011, JERRY A. LOMBARDI spoke to UC1 on the telephone and confirmed that the defendants would provide CW1 with money for UC1 and UC2.

12. It was further part of the conspiracy that on or about February 18, 2011, JERRY A. LOMBARDI sent UC1 an email that attached an invoice in the amount of approximately \$9,360 for the purchase of Dermafill bandages.

13. It was further part of the conspiracy that on or about February 24, 2011, JERRY A. LOMBARDI sent UC1 a fax of the \$9,360 invoice for the purchase of Dermafill bandages.

14. It was further part of the conspiracy that on or about March 4, 2011, GERALD W. LOMBARDI informed MEDRANO that GERALD W. LOMBARDI had money for MEDRANO to provide to CW1.

15. It was further part of the conspiracy that on or about March 4, 2011, GERALD W. LOMBARDI, JERRY A. LOMBARDI, MEDRANO, and Stanley Wozniak met in Chicago so that MEDRANO could receive a commission check and the payment to provide to CW1.

16. It was further part of the conspiracy that on or about March 4, 2011, MEDRANO provided CW1 with an envelope containing \$1,870, which represented approximately twenty percent of the invoiced amount.

Overt Acts

17. In furtherance of the conspiracy and to effect its unlawful objectives, defendants MEDRANO, GERALD W. LOMBARDI, and JERRY A. LOMBARDI committed and caused to be committed the following overt acts, among others:

A. On or about February 16, 2011, MEDRANO, GERALD W. LOMBARDI, and JERRY A. LOMBARDI promised UC1 to pay money to UC1 and UC2 in return for the placement of orders of Dermafill bandages on behalf of Los Angeles County hospitals.

B. On or about February 18, 2011, JERRY A. LOMBARDI sent UC1 an email containing an invoice totaling approximately \$9,360.

C. On or about February 24, 2011, JERRY A. LOMBARDI sent UC1 via fax the invoice totaling approximately \$9,360.

D. On or about March 4, 2011, GERALD W. LOMBARDI and JERRY A. LOMBARDI provided MEDRANO with cash to give to CW1 to pass on to UC1 and UC2.

E. On or about March 4, 2011, MEDRANO provided CW1 with cash for CW1 to pass on to UC1 and UC2.

All in violation of Title 18, United States Code, Section 371.

COUNT TEN

The SPECIAL FEBRUARY 2011-2 GRAND JURY further charges:

1. At times material to this Count:

A. The Town of Cicero (“Cicero”) was a local government located in the Northern District of Illinois. The functions and services provided by Cicero on behalf of its residents were coordinated through various agencies and departments. Cicero also had advisory committees upon which individuals were selected to serve as members. The advisory committees held public meetings and provided Cicero’s government with guidance on various issues related to Cicero. Cicero provided members of its advisory committees with either stipends or health care benefits for serving on the committees. Cicero received in excess of \$10,000 in federal funding in the twelve-month period from January 1, 2010 to December 31, 2010.

B. On approximately May 25, 2010, JOSEPH MARIO MORENO was appointed to serve on Cicero’s Local Business Assistance Committee, which was established to, among other things, work with other officials and departments of Cicero to identify the needs of the residents and to attract businesses that met those needs.

2. From approximately August 5, 2010, through approximately December 16, 2010, at Chicago and Cicero, in the Northern District of Illinois, Eastern Division,

JOSEPH MARIO MORENO,
also known as “Mario Moreno,”

defendant herein, being an agent of Cicero, corruptly solicited, demanded, accepted and agreed to accept things of value from CW1, namely, money, including the payment of

approximately \$5,000 in United States Currency, a promise to pay 10% of the revenue generated from a waste transfer station in Cicero, and a promise to pay an additional \$5,000 in United States Currency, intending to be influenced and rewarded in connection with a business, transaction and series of transactions of Cicero involving a thing of value of \$5,000 or more, that is, the zoning, permitting, and licensing that would allow for the development of a waste transfer station in Cicero;

In violation of Title 18, United States Code, Section 666(a)(1)(B).

FORFEITURE ALLEGATIONS

The SPECIAL FEBRUARY 2011-2 GRAND JURY further alleges:

1. The allegations contained in Counts five through Eight of this indictment are realleged and incorporated herein by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

2. As a result of their violations of Title 18, United States Code, Sections 666 and 1951, as alleged in the foregoing indictment,

JOSEPH MARIO MORENO,
also known as “Mario Moreno,” and
RONALD GARCIA,

defendants herein, shall forfeit to the United States, pursuant to Title 18, United States Code, Section, 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any and all right, title and interest in property, real and personal, which constitutes and is derived from proceeds traceable to the charged offenses.

3. The interests of the defendants subject to forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) include but are not limited to:

A. As to defendant MORENO, approximately \$100,000;

B. As to defendant GARCIA, all funds earned from subcontracting with Company B, namely, approximately \$460,000.

4. If any of the property subject to forfeiture and described above, as a result of any act or omission of the defendants:

- A. Cannot be located upon the exercise of due diligence;
- B. Has been transferred or sold to, or deposited with, a third party;
- C. Has been placed beyond the jurisdiction of the Court;
- D. Has been substantially diminished in value; or
- E. Has been commingled with other property which cannot be divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY